

MICHIGAN VEHICLE CODE (EXCERPT)
Act 300 of 1949

257.227b Private insurance verification board.

Sec. 227b. (1) There is created a private insurance verification board to provide vehicle insurance verification to the secretary of state for renewal of motor vehicle registrations. The insurance verification board shall consist of 7 directors, 5 of whom shall represent private insurers in this state, 1 of whom shall represent the general public and not be employed by the insurance industry or this state, and 1 of whom shall represent independent insurance agents in this state. Both the initial and successor directors of the insurance verification board representing the general public and independent insurance agents shall be appointed by the secretary of state. The 5 initial directors of the insurance verification board representing private insurers shall be appointed by the commissioner of insurance with recommendations to be made by the insurance industry in this state and shall include 2 directors representing the largest share of the automobile insurance market in this state and 3 directors who are generally representative of small and medium automobile insurers. Successor directors to the insurance verification board representing private insurers in this state shall be selected by the insurers who choose to provide proof of vehicle insurance to the secretary of state pursuant to this section and shall include 2 directors representing the largest share of the automobile insurance market in this state and 3 insurers representing small and medium insurers. The 2 insurers representing the largest share of the automobile insurance market in this state shall only serve if they are participating in the program to provide proof of vehicle insurance to the secretary of state pursuant to this section.

(2) Directors of the insurance verification board shall serve for terms of 1 year.

(3) Business of the insurance verification board shall be conducted at a public meeting pursuant to the open meetings act, Act No. 267 of the Public Acts of 1976, being sections 15.261 to 15.275 of the Michigan Compiled Laws. Notice of the date, time, and place of the public meeting of the board shall be as prescribed in Act No. 267 of the Public Acts of 1976.

(4) The insurance verification board may select 1 organization upon such terms as are established by the board for the purpose of collecting proof of vehicle insurance information by vehicle identification number. The board or the organization selected by the board shall make this information available to the secretary of state for motor vehicle registration purposes in the format required by the secretary of state.

(5) The insurance verification board shall establish a plan providing for the confidentiality of the proof of vehicle insurance information provided by insurers.

(6) The insurance verification board or the organization selected by the board shall be operational and able to transmit to the secretary of state by June 1, 1996 proof of vehicle insurance by vehicle identification number in the format required by the secretary of state at the request of any licensed automobile insurer in Michigan who chooses to provide proof of vehicle insurance to the secretary of state pursuant to section 3101a(2) of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being section 500.3101a of the Michigan Compiled Laws.

(7) The insurance verification board shall establish a plan of operation providing for the assessment of the start-up and annual costs of the insurance verification board among the insurers who choose to provide proof of vehicle insurance to the secretary of state pursuant to section 3101a(2) of Act No. 218 of the Public Acts of 1956, but shall not assess more or expend more than \$150,000.00 in start-up costs and not more than \$100,000.00 in annual costs to implement this section. The \$100,000.00 annual cost amount shall be adjusted annually to reflect the annual average percentage increase or decrease in the Detroit consumer price index. As used in this subsection, "Detroit consumer price index" means the most comprehensive index of consumer prices available for the Detroit area from the United States department of labor, bureau of labor statistics.

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